

### RECENT AMENDMENTS ON SALES PERIODS AND ALLOCATIONS IN PUBLIC OFFERING OF CAPITAL MARKET INSTRUMENTS

**This legal alert aims to set forth the amendment of Capital Markets Board of Turkey on the Communiqué on Sales of Capital Market Instruments numbered II-5.2.**

Capital Markets Board of Turkey (“CMB”) has adopted a new Communiqué Amending Communiqué No. II-5.2 published in the Official Gazette numbered 30257 and dated December 1, 2017 (“Amendment Communiqué”) that brings recent amendments with regards to the sales periods and the allocation percentages of capital market instruments to be offered to public through allocation among investor groups whose specifications are determined under the prospectus.

- I. *Sales Periods:*** The Amendment Communiqué introduces a new principle whereby it is set forth that public offering price, price range in case of book-building within a price range, or interest or discount rate of capital market instruments may be revised downwardly subject to a Material Event Disclosure\*\*\* through Public Disclosure Platform prior to initiation of the sales and/or book-building period or within the foregoing period without requiring any prospectus amendment. Accordingly, the public offering sales periods with the Amendment Communiqué are revised as follows;
  - a.** In case the public offering price will be revised prior to initiation of the sales and/or book-building period, the public offering may only be initiated on the second day at the earliest following the date of Material Event Disclosure;

\*\*\* *Material Event Disclosure refers to the disclosure of insider or ongoing information which may affect the value or price of securities or the investment decisions of investors.*

- b.** In case the public offering price will be revised within the sales and/or book-building period, at least 2 (two) business days shall be added to the respective public offering period.

**II. *Allocation Percentage:*** With the Amendment Communiqué;

- a.** the legally required percentage designated for allocation of the nominal value of capital market instruments in public offering to local institutional investors has changed. Pursuant to provisions in-effect prior to the Amendment Communiqué, 20 (twenty) percent of nominal value of capital market instruments to be offered to public was required to be allocated to local institutional investors in public offering through allocation among investor groups, whereas, the Amendment Communiqué, which entered into force through its publication, decreases the referred percentage amount into 10 (ten) percent.
- b.** CMB is authorized to decrease the allocation rates to zero or increase those to one time more by taking into consideration the market value of capital market instruments, market conditions and issuer and/or public offeror request on the similar grounds.

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